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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
DOCKET CONTROL

COMMISSIONERS

KRISTIN K. MAYES - Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

IN THE MATTER OF:

DAVID W. COLE and SIIRI COLE, husband and wife;

HIGHLINE ESTATES, LLC, an Arizona limited liability company;

MUTUAL FINANCIAL SERVICES, LLC (d/b/a MFS Real Estate Division and MFS Investments), an Arizona limited liability company;

DREAM CRAFT, LLC, an Arizona limited liability company;

SCOT A. OGLESBY (d/b/a ARIZONA ASSET MANAGEMENT) and LORI ANN OGLESBY, husband and wife; and

RANDY K. WARD (CRD # 4137944) (d/b/a Arizona Asset Management) and SHARON WARD, husband and wife,

Respondents.

DOCKET NO. S-20656A-09-0074

Arizona Corporation Commission
DOCKETED

DEC - 8 2009

DOCKETED BY

SEVENTH
PROCEDURAL ORDER
(VACATES PROCEDURAL
CONFERENCE AND
SCHEDULES HEARING)

BY THE COMMISSION:

On February 19, 2009, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against David W. Cole and Siiri Cole, husband and wife, Highline Estates, LLC ("Highline"), Mutual Financial Services, LLC (d/b/a MFS Real Estate and MFS Investments) ("MFS"), Dream Craft, LLC ("DCL"), Scot A. Oglesby and Lori Ann Oglesby, husband and wife, and Randy K. Ward (CRD #4137944) (d/b/a Arizona Asset Management) and Sharon K. Ward, husband and wife, (collectively "Respondents"), in which the Division alleged multiple violations of the Arizona Securities Act ("Act") in connection with the offer and sale of securities in the form of notes.

The Respondents were duly served with copies of the Notice.

1 On March 2, 2009, requests for hearing were filed by the Respondents Scot A. Oglesby and
2 Randy K. Ward.

3 On March 9, 2009, by Procedural Order, a pre-hearing conference was scheduled on April 2,
4 2009.

5 On March 9, 2009, the Cole, Highline, MFS and DCL Respondents ("Cole Respondents")
6 filed a request for hearing.

7 On March 12, 2009, by Procedural Order, all parties were apprised of the pre-hearing
8 conference.

9 On March 26, 2009, Respondent Oglesby filed his Answer to the Notice.

10 On March 27, 2009, the Division filed a Motion which stipulated to leave being granted for
11 the Cole Respondents to delay the filing of their Answer because a Consent Order was to be
12 presented for Commission approval at the April 14, 2009, Open Meeting with respect to the Cole
13 Respondents.

14 On March 31, 2009, by Procedural Order, leave was granted until May 15, 2009, for the Cole
15 Respondents to file their Answer if the Commission did not approve the Cole Respondents' Consent
16 Order.

17 On April 2, 2009, the Division appeared with counsel and Respondents, Scot A. Oglesby and
18 Randy K. Ward, appeared on their own behalf at the pre-hearing conference. The Cole Respondents
19 did not appear. The parties who were present discussed the possibility of a resolution of the issues
20 raised by the Notice and agreed that a status conference be scheduled in approximately 30 days.

21 On April 3, 2009, by Procedural Order, a status conference was scheduled on May 7, 2009.

22 On April 21, 2009, the Commission issued Decision No. 70967, which approved the Consent
23 Order with respect to the Cole Respondents.

24 On May 7, 2009, at the status conference, the Division appeared with counsel. Respondents
25 Oglesby and Ward appeared on their own behalf. The parties indicated that they were attempting to
26 resolve the issues in the proceeding and the Division requested that a hearing be scheduled in the late
27 fall. Subsequently, by Procedural Order, a hearing was scheduled to commence on the issues raised
28 by the Notice with respect to the two remaining Respondents, Scot A. Oglesby and Randy K. Ward

1 on November 12, 2009.

2 On November 10, 2009, the Division filed a Motion to Continue Administrative hearing and
3 Request for Pre-Hearing Conference ("Motion"). In its Motion, the Division stated that it had
4 reached a tentative settlement with Respondents Randy and Sharon Ward. The settlement was to be
5 submitted in the form of a Consent Order for Commission approval at its December 3, 2009 Open
6 Meeting. The Division further requested a continuance of the then presently scheduled hearing and
7 that a procedural conference be scheduled subsequent to the Commission's Open Meeting to review
8 the status of the proceeding prior to the hearing being re-scheduled. The Division further indicated
9 that the remaining Respondents did not object to the Motion.

10 On November 12, 2009, by Procedural Order, the hearing was vacated and a procedural
11 conference was scheduled on December 8, 2009, after the Commission's December 3, 2009 Open
12 Meeting.

13 On December 3, 2009, the Commission approved the Consent Order with respect to the Ward
14 Respondents.

15 On December 7, 2009, the division filed a Motion to Vacate Pre-hearing Conference and to
16 Set Hearing Date. The Division indicates that it has reached a tentative settlement with the Oglesby
17 Respondents. The settlement will be submitted in the form of a Consent Order for Commission
18 approval at its February 18, 2010, Open Meeting. The Division requests that a hearing be scheduled
19 subsequent to the Open Meeting in the event that the Consent Order is not approved by the
20 Commission. The Oglesby Respondents do not object to the Motion.

21 Accordingly, the procedural conference should be vacated and a hearing scheduled.

22 IT IS THEREFORE ORDERED that the **procedural conference scheduled on December 8,**
23 **2009, is hereby vacated.**

24 IT IS FURTHER ORDERED that a **hearing** shall be held on **March 8, 2010, at 10:00 a.m.,**
25 at the Commission's offices, 1200 West Washington Street, Room 100, Phoenix, Arizona, if a
26 Consent Order is not approved for the Oglesby Respondents.

27 IT IS FURTHER ORDERED that the parties shall also reserve **March 9, 10, and 11, 2010,**
28 for additional days of hearing, if necessary.

1 IT IS FURTHER ORDERED that if a Consent Order is approved prior to the hearing date set
2 forth above, the Division shall file a Motion to Vacate Hearing.

3 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 – Unauthorized
4 Communications) applies to this proceeding as the matter is now set for public hearing.

5 IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules of
6 the Arizona Supreme Court and A.R.S. § 40-243 with respect to practice of law and admission *pro*
7 *hac vice*.

8 IT IS FURTHER ORDERED that the Presiding Administrative Law Judge may rescind, alter,
9 amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by
10 ruling at hearing.

11 DATED this 8TH day of December, 2009.

12
13
14 
15 MARC E. STERN
ADMINISTRATIVE LAW JUDGE

16 Copies of the foregoing mail/delivered
17 this 8th day of December, 2009 to:

18 Scot A. Oglesby
515 East Carefree Highway, No. 824
Phoenix, AZ 85085

19 Matt Neubert, Director, Securities Division
20 ARIZONA CORPORATION COMMISSION
1300 West Washington Street
Phoenix, AZ 85007

21 ARIZONA REPORTING SERVICE, INC.
22 2200 North Central Avenue, Suite 502
Phoenix, AZ 85004-1481

23
24 By: 

25 Debra Broyles
Assistant to Marc E. Stern
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27
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